

# BNZ Confidence Survey

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## Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy in a language they can understand.

The results here come from our quarterly survey of 12,000 Weekly Overview readers. To receive the Overview and Survey results click [here](#).

## Dairy Woe But Tourism & Construction Booms Underway

Our first quarterly survey for 2016 in which we ask Weekly Overview readers to comment on their sectors has produced some stark results. At the negative end understandably is the dairy sector with high pessimism and also some reduced confidence in sheep and beef. However in horticulture sentiment is very positive.

At the other end of the spectrum are regional housing markets now benefitting from Aucklanders seeking assets and locals jumping on this cyclical bandwagon, and tourism. Strong growth in visitor numbers and their spending has produced the most positive set of comments on tourism or potentially any sector that we have seen in the 11 year history of this survey. The construction and engineering sectors are also very buoyant and forestry positive. Retailing is also generally though not completely positive and with margins under pressure.

In the middle is the Auckland residential property market with a mixture of negative comments but also continuing listings shortages in some areas and one or two comments that Chinese buyers appear to be returning.

With regard to specific sectors the following broad comments can be made.

### Accountancy

Lots of compliance work, tightening in rural areas.

### Advertising and Marketing

Generally good activity. No indication of either fresh caution amongst clients or surge in spending.

### Construction

Most obvious development is a lift in activity in the regions. Auckland as busy as ever, costs rising.

### Engineering

Extremely busy

### Farming

Very negative comments regarding dairying, sheep and beef less positive than before, venison good. Weakness in dairying is sharply affecting farm servicing companies.

### Forestry

Quite positive comments including for sawmilling.

### Horticulture

Nothing but positive comments spread across kiwifruit, avocados, blueberries, flowers and vegetables.

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## Manufacturing

Flat to good but with dairying weakness starting to come through for some.

## Property Development

Strong growth apparent but slowing in Christchurch.

## Property Management/Investment

Good tenant demand, rents rising typically less than 5% but one example of more, investors paying high prices to get stock.

## Recruitment

Very busy but often with shortages of potential staff.

## Residential Real Estate

Very strong outside Auckland and Christchurch. Some signs that Chinese buyers are returning to the market in Auckland but overall quite mixed comments for Auckland.

## Retail

Margins squeezed but sales good overall.

## Tourism

Absolutely booming. Never before have we received such an abundance of positive tourism sector comments.

## INDUSTRY COMMENTS SUBMITTED BY RESPONDENTS

**NOTE: THESE ARE NOT OUR COMMENTS BUT THOSE SUBMITTED BY RESPONDENTS TO OUR SURVEY.**

### Accountancy

- Public practice accounting - busy in Marlborough, firm looking to hire its annual crop of graduates. Clients looking to invest in better systems.
- Chartered accountants, Nelson - exceptionally busy with end of year compliance work plus upswing in land transactions and range of M&A activity. Significant international focus also with continuing migration inflows and repatriation by Kiwis who were previously long-term non-residents. Consulting and value-add work growing strongly.
- Chartered Accountancy: bit of activity in clients looking to invest into businesses via succession plan opportunities. Cash flow still lethargic. More cold calling wannabe employees looking for work. Some self employed contractors moving into permanent roles. Some rental properties sold but no new rental purchases. A bit of activity in families assisting family members into housing.
- Small Chartered Accountant Auckland- Busy on chasing the last compliance work, some business acquisitions going on, clients very slow to pay at the moment. Seems clients are doing better this year than last year.
- Rural Accountancy - Mid-Canterbury: We are seeing a significant tightening up in our community which is not just affecting dairy farmers, but also crop farmers (grain prices dropping dramatically and lower demand for straw), farmers providing dairy support, and the service sector for agriculture. That tightening up on cash is feeding through to the rest of retail and entertainment. There is now a realisation it is going to be a much longer harder slog through the downturn.
- Chartered Accountancy - Nelson. A bit quiet but steady.
- Accounting services (rural client base) - steady amount of work, more focus on 2016 & 2017 cash flow, particularly for dairy farmers and sheep/beef farmers affected by Nth Canterbury drought.

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- Accountancy Practice for Film and Television - busy out there in the industry, clients happy -
- Accounting. Better for most compared with this time last year.

## Advertising and Marketing

- I work in the media industry - specifically Public Relations. From the perspective of our small business things are looking good as new work continues to flow in mostly from the FMCG sector which appears to be quite confident in starting new projects. Additionally mainstream media have successfully been growing their online offerings which has provided more opportunity which means we are becoming confident that we can do our jobs successfully as compared to 2014 and 15.
- We operate in the Brand, Marketing and Design space. Business is 'steady'. We aren't breaking records and clients are wary.
- Public relations Wellington - the year has started well with some big projects underway
- Marketing. Moving to more analytics based marketing has been great for my business. As businesses realise there is life / money in their database they are reaching to get the help they need to personalise their comms and provide a better customer service.
- Holding about the same has been quiet over the break (Marketing, mainly online). About the same as this time last year

## Business Consultancy and Services

- Business consulting- positive - owners recognize they need help to reach their goals: next level
- Business Sales Extremely Busy
- Market research. It's slow, but there a few opportunities coming my way that might make 2016 OK.
- Business sales steady after huge 2015 year fuelled by immigrant buyers. Hospitality, service, IT, and importing businesses are particularly strong sectors.
- Management consulting - lots of opportunities, especially in the SME & not-for-profit sectors; just need to convert them.
- H&S Advisory. Going better than ever with the new law coming into effect in April

## Civil Construction/Infrastructure

- Civil Engineering & Construction - Brakes gone on in Christchurch but still buoyant in Auckland
- Commercial & Civil Construction. Very solid workflows ahead for us in Nelson and Marlborough with a number of construction projects coming to the drawing board, particular in Marlborough. Civil has come out of a very difficult time but future workflow is looking more positive than the previous 12 months

## Construction

- Absolutely flat out in the Hawkes Bay Construction industry!!
- Construction. Still strong. Regions appear to be doing better than last year.
- Housing. Very busy but usual council hold-ups.
- Various Trades - Construction & Maintenance. Ticking along well with good level of enquiries. Skills shortages starting to surface along with wage pressures.
- Construction industry, forward enquiries have flattened off a little
- Commercial construction Auckland - Very busy, Constraints on available resources starting to bite. The result is that prices for those resources are starting to creep upwards
- Construction. Very boom.
- Construction. Busy and going well.
- Development management / construction - Auckland. Things are full steam ahead and I cannot see the market slowing down in Auckland for the foreseeable future.
- Construction Industry. Very busy. Things are good.
- I'm developing retirement villages in the North Island and we are very, very busy.

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- Construction - rampant price inflation. Loving being able to hike prices massively. Margin heaven in Auckland building now - although subbies and suppliers have got in on the game too now!
- Construction - still very busy. More work to bid on than we are able to consider
- Construction- Southland- Still plenty of work with 6 months on the books, signs are there that the rural economy is starting to reign in now so year will be interesting
- Building industry within the Waikato. Very vibrant - lots of enquiry. The most positive I have seen it in 8 or so years of owning this business. Farm sector dead though.

## Construction Related

- Very positive. International Resourcing for the Construction Industry
- Positive, very good forward confirmed work. Building industry, Quantity Surveying
- Construction. Joinery manufacture. Strong demand
- Subcontractor construction Wellington. Good levels of current and forecast activity at fair margin. Competitors seem busy and other trades we work with also report good levels of activity. Skilled labour shortage holding up some projects. Labour costs rising. Most suppliers applying up to a 5% increase on materials for new work
- Building material supplier, our industry is very good, best area is the upper Nth is. South is holding on but showing some signs of a downturn
- Architect (medium+ sized commercial practice): Buoyant for sure - jobs underway and others on the horizon; usual issues with quality resources we have when 'times are good'. Only cloud being that fee levels are still somewhat suppressed - no real upsurge there from the GFC period - and therefore little commensurate change in profitability.
- Construction related - supply of hardware located in Christchurch. Despite what people say the peak for us has not been reached. Very busy. And will be for some years. I don't think many media commentators understand the lag between building structures and finishing buildings. The finishing trades are more labour intense, and bigger gross profits. Attracting the right staff is the biggest problem.
- Electrical & Mechanical industry as consultants in the Dunedin area. I would like to be busier and to take on more staff but there is no direction in the market and staff are impossible to find.
- Ready mix concrete & builders supplies. Busy Busy.
- Project Management / Construction. Very busy. Have work in place for the next two years
- Construction ; non-stop. Scaffolding ; non-stop
- Electrical Contracting Businesses - Steady workload in Qwtn, Invercargill, Dunedin & ChCh. Workload has dropped off in Southland

## Education

- Tertiary education - demand is reasonably strong offsetting tightening government funding.
- International education seems to be going extremely well. Numbers are strongly up and new markets such as the Indonesia, India and the Philippines become increasingly promising.
- Education. The busiest start to the year in ages.
- Private Education. Relatively buoyant in Auckland
- Early childhood, tough going with far too many new centres making it difficult to maintain viable numbers and employ quality teachers, even for good centres. Just spreading the available children around. Too many "qualified" teachers available with minimal experience.

## Energy

- Dire - oil and gas.
- Power Industry. All good!
- The Oil and Gas industry is in total downturn.

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## Engineering

- Engineering- Fabrication and machining, Rampant !
- Engineering. We are getting busy and hear that others in the industry are as well.
- Consulting engineering and architecture. Business is quite buoyant at present with good prospects for the rest of the year.

## Farming

- Dairy in Northland. Farmers have a false positive confidence at the moment - due to good summer rains. The financials do not look good though
- Not good farming
- Sheep & Beef farming Things are not looking good
- Dairy Industry, things not so good at the moment. Lots of farms under financial distress as current payout doesn't break even farm running costs. General feeling is low payout is here to stay longer than anticipated by industry.
- Sheep and Beef, Sheep have very little confidence, and beef only short term confidence
- Toughest since the 80s Dairy
- Agriculture -Grain & Seed. Farmer clients with interest in dairying are now mentioning that things are starting to get tight, and now selling off boats, holiday houses and the like. On the grain & seed side, wheat and barley harvests have been good as far as yield goes, but poor on quality with the wet Jan impacting much of the milling wheat which is likely to end up in the over supplied feed market. The fall in the NZ dollar is helping us compete on the export side, just wish we had more export stock available.
- Beef good. Lamb no good. Dairy rubbish
- Dairy - difficult, and farmers with significant debt are worried. Can't see light at end of the tunnel. This cyclical downturn seems longer lasting than the last few. Macro food story still good but we need the markets to start turning up.
- Dairy Industry: Any confidence that we had was dashed last week with another fall in GDT. I don't think we can take another year of losses!
- Sheep & Beef farming, prices are poor and not looking like an improvement in the short term but yet most of the freezing companies are making profits
- Dairying. Bleak lots of stories starting to circulate at how bad things will get. No choice at this stage to just keep moving forward
- Things are very gloomy in the dairy industry currently and certainly looks like things will take a long time to recover
- Dairy - Terrible. No end in sight to low international dairy commodity prices. EU production still accelerating, US production still growing and no sign of China or Russia coming back into the market. Looking at another year of low dairy payouts...
- Venison Export Industry - Going ok. Outlook positive
- Farming, North Cant grazing/cropping Personally a very good year as with last year, but I think it's all about to change. Can't get any answers from Grazers so very hard to plan. Getting dry again too
- Bad. Dairy Farmer. Gross down \$2.57/kg (projected to 31May 2016). Gross Income down \$2,071,000
- Dairy Farming. Operating below breakeven and increasing debt just to make ends meet.
- Dairy farming. Am struggling due to low payout and if it continues for another year will get in deep doo doo.
- Dairy. (Improving. Maybe some light at the end of the tunnel) Now. Drastic for the majority of suppliers. Bleak!
- Farming - grain and seeds. Fairly average, although yields have been pleasing. The next 12 months will be challenging as the arable sector has been and is influenced by the state of the dairy industry. Thankfully the dollar and interest rates are favourable.
- Dairy industry is looking very tight with some support businesses losing staff or reducing hours.

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- A drop in confidence due to reduced lamb schedule and poorer outlook. Beef is positive however for how long.. Drystock farming
- Dairy industry - awful !!!
- Dairy Industry - Pretty Gloomy, payout keeps going down, needing reassurance from banks that they will continue to support farmers
- Dairy Farming. Things appear pretty stable which is in contradiction to the "volatility" we keep hearing about. Its stable and crappy. Apart from milk price things are great. Awesome season.
- Farming – Sheep. Depressed. Lamb prices are \$1 per KG (about \$20 per head) lower than they were at the same time last year and I thought last year was bad! Added to that squabbling between the "leadership" of the industry (MIE, Beef & Lamb NZ and the meat processors) is not confidence building. The "world protein" story just isn't finding its way to the farm gate price. The only way it could be worse is if we had converted to dairy....

## Farm Servicing

- Suppliers to the dairy industry. Dairy has become more volatile since the previous survey. Leading industry opinion makers are telling farmers they must control their cost of production to about \$3.90 per kilogram of milk solids. I think farmers have become more worried in the past 2 or 3 weeks.
- Not good . Dairy - cash flow is negative
- Downturn in dairy affecting partners out the back
- Farm retail. Dairy farmer confidence at a new low and spending shutting right down. Horticulture going from strength to strength.
- Rural Real Estate. The star is fading....rapidly.
- Farm Valuation – Wairarapa. Steady to busy workload in 2016 to date. Land values showing significant strength for sheep and cattle properties, despite average farm returns. Dairy values are steady but only just. Deepening negative sentiment has taken buyers out of this market and is putting pressure on values.
- Veterinary pharmaceutical industry. Post dairy boom - work inflow slowed. Improving now. Products for other animal species more of a focus.
- Tractor and farm machinery dealership. Market well down in whole units and servicing dropping off sharply.
- Dairy Servicing Business - maintenance and essential work only, capital projects all but dried up (new conversions etc.)
- Dairy industry, money is tight, projects being cut but no staff cuts

## Financial Services

- Investment...quite good
- Home Loan Finance - Wellington - Solid start to this year but perhaps being slowed down a bit by a lack of listings. Common for multiple offers to be presented for well located and priced properties.
- Banking - its very tight, with a heavy focus on costs. Its not going to be a fun year as we prepare for some choppy waters ahead.
- Finance and Investment Industry - going solidly. Reasonable growth.
- Home finance. Very competitive with low rates. Confidence down a bit after recent quake. Refinance strong however cash contributions have dropped back a little. Banks buying more business on rates rather than cash. Increased focus on lifestyle from clients and debt reduction which is good for my core business. Consistently busy
- Financial Advisory - a lot of nervous clients focusing on downside protection, and are nervous about the potential for more downside.
- My industry is Banking. The industry is performing well in NZ despite some issues, particularly overseas but also local with the slump in global dairy prices.

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- Invoice Finance. Busiest period with new business since GFC.
- Banking at Retail level - seems quiet at present
- (finance industry) Very confident. More good business on offer than we can handle. Need more staff.
- Our funds management business is expanding steadily with ongoing investment in people and premises.
- Banking industry - feeling very positive!
- Financial Services - Busy servicing existing clients but new business slow due to our reliance on rural clients. Dairy industry downturn having a marked effect on our business, as it is on many service industries reliant on farming. Expectations going forward are for only a slow improvement as commodity prices improve and farmers start re-assessing their cash flow situations. Our focus just now is on non-rural clients for new business, and on assisting farming clients to trim expenses.
- Finance - interest in investment seems to be on the increase - people still quite risk averse but see less pessimism.
- Debt Collection. Companies relying on dairy industry business struggling as work dries up. Economy generally weak outside of Auckland.
- Mortgage broking - busy! lots of activity

## Food

- Import / export Food trading. Soft generally in all markets and this is relative for both Import and Export sales. Lack of any momentum or pull as we meander along with many customers looking short term only.
- Exporting pet food. Growing at 30+%. Love \$ to fall further, but can live at .66 to \$USD. Global weakness not really affecting sales.
- Food - added value dairy: Lots of enquiries, some of which are tyre kickers. Market a bit flat and subject to predatory pricing from European suppliers awash with product and capacity.
- Export of formulated dairy products such as Infant Formula. With the restrictions imposed by China, the main export market, many have either ceased to trade or been driven out of business. This despite a FTA between our 2 countries.

## Forestry

- Forest Industry. Solid demand for all log products in both domestic and export markets.
- Low shipping costs and lower FX rates are helping deliver strong export returns. In the domestic market log demand exceeding supply is holding prices at high levels. Expecting more of the same.
- Sawmilling. Good. Probably coming to the end of the current boom
- Prices are soft and the dollar isn't helping much. Looking tough in the short term - forest products.
- Sawmilling. Very busy with strong demand in NZ and overseas markets for clear timber. Pruned log prices are very high and supply is an issue.
- Log exports going well into China. No slowdown on the horizon. Ships are cheap, fuel is cheap and log prices are good.
- Timber Industry. Very positive outlook. Production is very steady tracking much the same as the previous 12 months
- Forest growing/ log sales. Reasonably optimistic with moderately high local and export prices, particularly for higher value log grades.
- Forestry ok but concerned that overseas issues will catch up.

## Health

- Medical devices - good demand, difficulty in getting experienced staff, DHB's all talk and no action around changing to reduce costs - doesn't bode well for healthcare costs in the future.
- Healthcare. Times are tight as real funding is going backwards

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- Health & Community Services. Very busy, both in our city practice and rural branch. Looking for committed staff is our biggest issue.
- Private Healthcare
- Business is stable but compliance obligations are adding costs in a price constrained environment.
- Central Auckland medical general practice. Very strong, turning away some patients

## Horticulture

- Horticulture. Grapes looking good. Flowers looking good
- Very good. Horticultural Exports
- Things are looking pretty good with good returns 2015 year. Good crop on for this year. Need kind weather... Horticulture
- Vegetable horticulture: Export markets more positive than 12 months ago helped further by currency movements. Still early in the season.
- Horticulture - avocado orchard. Excellent. While the 2015/16 crop was only 60% of the previous year's, prices are considerably higher. The fruit set for 2016/17 crop is enormous, the highest I have seen in the 13 years I have been an orchardist.
- Kiwifruit-Quite exciting times at moment always is just prior to harvest, Green pollination has been ok and crops looking good some not so and PSA will be blamed for that. Payout looks ok, Gold prospects looking good with strong sales 2015 hopefully will continue as a lot of gold blocks will be coming into full production this year. I am also excited to see what other new varieties will become available in the future i.e. a new Green ???
- Very positive in Kiwifruit, Avocados and Blueberries, with current season prices attractive. Lot of interest in purchasing horticulture blocks in Bay of Plenty.

## Hospitality

- Hospitality, things are quiet at the moment, there does not seem to be a lot of money around or all the credit cards have come in after Christmas

## ICT – Information Communications Technology

- Information technology is going through a lot of change but there is still a strong demand for IT services with cloud technology.
- Telecommunications installers. Currently busy in the commercial market but tender requests have flattened out.
- IT Service - Excellent, a lot of work and job creation going on.
- Telecommunications. Going strong
- ICT - Picking up as the year progresses.
- IT - we are firing people in NZ and replacing them with people in the Philippines - at 30% of the cost. Sales are going fine - but it does not bode well for NZ
- Positive, IT services recently picked up by big insurance provider and Aussie market is looking promising. Nibbles in the market turning into bites now that summer period comes to close. IT Consultancy & Development
- It. Business is slow.
- IT (Business Software) - very busy with lots of activity and projects.
- IT - bespoke business application development; tactical systems; SME market. 60% revenue comes from AU. I would describe this year as having started off pretty buoyant with lots of new prospects coming in and willingness to invest apparent.

## Insurance

- Insurance. Growth slowing but still positive. Challenge for industry is still in growing number of New Zealanders with cover versus just switching those with insurance between different insurance



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companies. Banks progressively taking larger share of new business share as independent advisers share reduces. Regulatory review focused on adviser designations and compliance processes, while conduct issues increase within international markets including Australia.

- General Insurance – Commercial. The outlook is reasonable. Competition within the industry remains intense, particularly with the notable entry of ... Insurance into the New Zealand market. I do expect trading conditions to remain tough with soft premiums and depressed margins persisting which is good for consumers. There is however the ever-present threat of another significant natural disaster event occurring which would hugely impact the general insurance market. Despite trading conditions, there seems to be potential for growth on the horizon with the market becoming increasingly aware of emerging risks such as cyber insurance as well as a number of legislative changes.

## Legal

- Legal, Christchurch, high level of activity
- Legal: Busy, but outlook uncertain.
- Legal/Services. Booming!
- Legal services (GP) provincial Bay of Plenty: Extremely busy since July 15 due to housing market doubling in turnover & increase in commercial activity. But entering a period of respite, which is possibly seasonal. Interestingly 50% of the solicitors we deal with on residential property transactions are from out of town up from 30% say 5 years ago and of those out of town lawyers a minority are from Auckland.
- Insolvency. Very busy
- Buoyant. Legal
- Legal Taranaki- Busy generally. Starting to see the pain in the dairy sector. Few farms selling.
- I'm in the legal-investigative industry - serving the needs of law firms and their clients in preparation of court proceedings, or contributing to mediation and other pre-court settlement processes. I am very busy and have been so for the past 12 months. I noticed a slowing from mid-2015 to end, but had plenty of backlog to keep me busy. 2016 has started with a bang. The ChCh rebuild continues to feed my industry and I am thinking of taking someone new on. But I have heard that further down the food chain, self employed investigators are struggling with corporates increasingly employing in-house investigators.
- Legal. Steady - property conveyancing lower volume
- Legal - Auckland. Busy. Prospects for the year ahead are good. Year on year we are ahead.
- Legal. Positive, things are moving somewhat cautiously however generally optimistic.
- Law in Auckland is very busy. Plenty of work around.
- Legal (Property) - very busy with a variety of transactions, major divestment, new foreign investment, government leasing, acquisitions. Leasing is not as busy
- Legal services Conveyancing is steady

## Manufacturing

- Busy - Fan manufacturing
- Buoyant. Busy chasing customers (manufacturing)
- Machinery manufacturing (Otago) quiet in the workshop following the Christmas period but would say up on enquiries for this time of year, especially for some larger projects.
- Pretty buoyant at the moment. Industry: consulting to manufacturing
- Manufacturing industry - surface coatings. Steady at the moment but seeing some softening in April/May.
- Manufacturing. Slowing down with dairy clients
- Generally quieter all round and that's reflected in lower sales but with some good new leads.  
Manufacturing

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- Manufacturing and Exporting High Value Food. Asian customers are being more cautious than they were 3mths ago as the weak growth continues.
- Paint Manufacturing - Flat I am told by suppliers
- Paint manufacturer. Strong sales growth experienced all summer. Plenty of building activity and homeowners on a real DIY fix. No sign of a slowdown.
- Manufacturing Supplier - Good volumes in NZ and Australia
- Furniture manufacturing industry is steady. We are confronted with a market saturated with average quality imports. Lack of country of origin labelling in our industry confuses the public. Our niche market is challenging to reach and service.

## Misc.

- Shortage of skilled workers
- Very busy. Health and Safety Consultancy
- We are extremely busy and see no let up in the next 12 months. We are in public swimming pool building and maintenance.
- Milk A2 Cherries Retirement living & care excellent for all
- Migration industry - note an increase of people moving from South Africa to New Zealand
- Importer Wholesale Safety and HSNO compliance. It has been a tough year up to 31st March 2016. The erosion of margins due to the drop in NZD has made it very tough going. It was difficult to get price increase through but we have got 2 price increases through now and sales have only dropped slightly. Next year is looking very promising
- Good. Environmental consulting
- Steady, sales slowly increasing as we gain prominence in our market. Our sector is very competitive, but we are finding that attention to quality, pricing and delivery is winning customers to us. We deliver fresh fruit and milk to businesses in Auckland City.
- E-commerce export. Things are growing strongly, especially in Europe.
- Great. Cosmetic medical and tattoo removal
- Signage Christchurch - November looks to be the busiest moth in 5 years and cash flow still good. Customers appear to be re gaining the confidence badly shaken by the quakes.
- Local government. Reasonably steady
- Swimming pool cleaning and servicing. Very busy but margins tight and no sign of being able to move on price. Hard to find new staff to train.
- Buoyant. Ride on mower import and distribution.
- Handyman, steady
- Various jobs available in NZ for Aircraft Maintenance, not enough \$\$ though, better options in Australia. Lots of Contract positions at much better rates. Must have the right Qualifications though. e.g. Aircraft Cabin Cleaners from AUD 10,000 per month ! Maintenance from \$ AUD 50 per hour plus allowances , and Super.
- Good. Campervan Conversions
- Bulk Paper Supplies - Poor start to the year though it does look to be picking up slowly
- Professional Services - Positive signals but reluctance to sign up and commit.
- Steady/slight improvement in domestic market <5%. Growing export market >5%. Natural & Organic Cosmetics & Medicines
- Cleaning - very competitive with too much discounting
- Retirement - downsizing has enabled us to move from a large house to a more modest one with some change in our pocket. This is harder than it seems due to the Auckland costs and many of my retired friends are talking about selling up in Auckland and moving further away (from Auckland) where the dollar goes further. One couple has moved to Matakana and a further 2 have moved to Nelson. Is this a trend considered by other retirees? I suspect so.

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## Printing and Packaging

- Very busy for February. Printing Industry
- Picked up slightly since the end of last year but don't think there is any substance going forward will be some good months and some slower ones find there is not a lot of confidence we are out of the woods yet, dairy /farming still a concern as its such a big part of the economy here for manufacturers .Printing Industry
- Commercial Printing. Sales are above average for this time of the year and medium term future orders look strong. Not sure after the next 3 months.
- Capital spending on packaging equipment is increasing in both NZ and AUS and this is driving growth in Flexible Packaging.

## Property Development

- Auckland land subdivision, site development and residential construction. still selling off plans, short supply of some trade e.g. stoppers, fixers, painters. enough work for next 4 to 5 years. slight hiatus in interest from new investor regs but still strong demand.
- Property development - good
- Residential property development, ChCh. Over-supply occurring at some price points, but plenty of unmet demand at top-end.
- More buoyant than it has ever been. I have been on and of in property development in this small (well was small) town since the 80"s. The growth and demand has out stripped sections available. The difference this time is people are buying sections and wanting to build on them immediately as compared to early 2000 when 6-7 sections out of 10 sold were to speculators who had no intention of settling in Mangawhai, and some of them never had the funds on settlement date as well

## Property Management/Investment

- Residential rentals .....shortage of stock and multi applications
- Lettings and tenant interest have been brisker. Been a busy quarter actually. Rents have picked up 5-10% yr/yr in the mid-end furnished and unfurnished market. Auckland Landlord/Investor.
- Property Investment Rents Flat in Auckland and Dunedin Demand high in Auckland Demand lower in Dunedin
- Landlord in ChCh - poor
- Residential property Investment, Wellington. Good tenant demand for renewing annual leases in Jan/Feb as always. Rents up 3-4% overall. Hard to find multi-flat investment property showing a good yield. High demand for investment property, even stock needing major work.
- Residential Rentals Hamilton - No shortage of good tenants, historically low interest rates, property values & rents increasing. This is probably the best it has been over the 35 years I have been involved with rentals.
- Rental accommodation - very good
- Property Management Auckland: After a very soft Christmas period for landlords, the rental market is now in more in balance. The extra rental properties provided by investors during 2015 are being soaked up.
- With regards to property investment. The residential market is doing very well in Auckland both from a capital gain perspective and with regards to rents, they increased rapidly in the last year or two however it feels like they have stabilised a wee bit, however there is still plenty of tenant demand. There also appears to be a continual increase in the number of new investors coming to the market in Auckland all wanting a piece of the action. There's a lot of home owners with plenty of equity to leverage. I've also noticed that most first home buyers have been helped along with gifted equity from parents. All this points to continued increase in prices I suspect.

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- Property Manager North Shore Auckland. Rental market very buoyant, large numbers of potential tenants with market restrained in the 2 - 3 bedroom market. We been achieving 3-5% rental increases in our lease extensions,
- In the property rental business, things are going really well, supply cannot meet demand thankfully we bought a few years ago
- Residential Property Investment in Wellington. As usual at this time of year, there is strong demand from tenants so I could increase rents. Have also noticed that some seasoned property investor colleagues are busy cashing up good properties while the market is buoyant. Silly money is being paid by naive novice investors, on ridiculously low yields.
- Property investment. Cautious, a lot of anxiety re Auckland - is this the much heralded correction starting with the Jan slump? Christchurch - yield and value both down? Definitely feeling less risk appetite and less buoyant "the only way is up" optimism than 6 months ago.
- Rental properties let readily on rising rental trend in Hamilton and Auckland.
- Residential property investment market. Upwardly revising rents in South Auckland. Rents on North Shore and Hibiscus Coast are flat. Rents in provincial North Island are flat.
- Residential property investment, central Wellington: had four apartments become available to rent in January/February - raised the rents by 5-10% and had crowds of people showing interest, people from both other parts of New Zealand and immigrants from overseas. This year's letting cycle was probably the busiest I've experienced in about 15 years.
- Rental value have increase with constant tenants, Industry is rental property's investment.

## Property – Non-residential/Commercial

- Commercial. Most leased out now. Lots of inquiry's and rents up.
- Very overheated, yields are at historical lows and this won't change when investors are getting nominal returns from the Bank. Commercial Property
- Industrial property market. I am a property valuer and things are red hot at the moment, values have skyrocketed in the last year and the workload is very heavy.
- Industrial and Commercial Sales and Leasing. Record low vacancies (circa 1.5% in industrial), Record high land prices, Minimal speculative development, Rising rentals, Lofty Vendor and Landlord expectations, Tenants still bargain hunting and many are missing out with nowhere to place their businesses.
- Tauranga. Upward pressure on rentals for industrial and well located retail & commercial space. Secondary retail & commercial space remain more difficult to move Yields for prime industrial & commercial properties becoming as low as 5-5.5%

## Property Valuation

- I work for property valuers and we are extremely busy at present
- Valuation Industry. Very Busy, steady level of work flow and owners / investors looking for opportunities.
- Residential valuation, Auckland. Market is firm below 1 million. Above 1.5 million very quiet
- Real Estate Valuation. Very busy and taking on more staff
- Busy - property valuation

## Recruitment

- Recruitment industry and labour hire. We are very busy now...busier than the same time last year. Auckland is particularly strong but Waikato less so
- HR - recruitment – Wellington. Busy and expecting a great year.
- Recruitment - Construction & Engineering - very busy - the usual short supply of good quality candidates. Consultants and contractors all hiring.
- Strong pipeline. Executive Search

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- Recruitment - Accounting and Finance: Auckland: Strengthening across the board. The market is starting to become candidate short in a few areas; Analysts of all types and most roles sitting between the 75k-100k salary bracket. Senior roles 130k+ are still difficult to find with a surplus of candidates at this level. More confidence from clients in general which is reflected in willing to take on permanent heads whereas previously they would use a contractor what was expendable. There is still off-shoring of roles occurring however this is mainly at the transactional and senior end. Good candidates are often receiving multiple offers. We have also seen counter-offers occur in the past 12 months which is almost unheard of since the GFC.
- Executive recruitment - steady.
- In our sector of recruitment we expect to see employers increasing head count due to three consecutive years of record trading. We also expect to see employers struggling to secure quality NZ based hires which will lead to wage and salary increases in the year ahead.
- Recruitment. Nothing has changed - nice and busy with positions to fill, but not having much luck with quality candidates.

## Residential Real Estate

- Very busy. Houses selling quickly with price increases.
- Residential real estate, central Auckland. Very strong at present, Chinese buyers are back in the market, as are investor buyers. Properties under the \$1m level getting heaps of attention from buyers, and selling well at auction. Still short of good listings.
- Real Estate - Eastern Beaches. Quieter and some reluctance from both buyers and sellers to do anything.
- Real Estate Residential, Auckland, East. Buyers still out in abundance. Listings have increased, but prices being achieved continue to astound us. 3 auctions scheduled for two weeks out had pre auction offers this week and all sold well above the offer level acceptable to the vendors. Hard to read trends at this early stage of the year.
- Real Estate Hamilton. Having moved from Auckland I think there is loads of listings! Local agents think there is a shortage! Lots of property at all different levels of pricing.
- Real Estate South Auckland. Few buyers, sales slow, Auctions poorly attended.
- Real Estate - Auckland Apartment Market. The October LVR restrictions and new legislation are still impacting the volume of transactions in complex's that would be considered investor stock. Transactions for Apartments under the owner occupier heading have not been affected. Would be Home owners are still seeking homes and the disparity between supply and demand is not decreasing.
- Real Estate. Adjustment period still evident. Owners wanting too much for properties. Prices levelling of a bit. Listings harder to acquire.
- The market is very buoyant listings are sell fast and a serious lack of stock. Some prices seem to be a tad over cooked and frustrated buyers are paying what they have to as they have missed a few times. Real Estate
- Real estate - Busy with lots of buyers, shortage on listings
- Residential Real Estate Tauranga. Listing still in very short supply however there are signs of more homes coming to market. Viewings generally high both private and open homes. Still upward pressure on pricing.
- Real estate: Buoyant in the regions and Auckland is a bit quiet.
- Residential property, Hamilton. Serious shortage of property on market at present which doesn't look likely to wane for a while yet, result, rising prices and some despair for first home buyers
- Auckland city fringe off plan apartment sales. We saw a downturn in activity in October as a result of declining auction closing rates affecting buyer sentiment. Business has been flat until last week where we have seen sales pick up to the levels we saw in the first half of last year
- Property Trading and Property Investing: Property market is picking up on the shore, lots of ups and downs but improving. Not so many of the crazy crazy bidding of last June / July. But lots of people at

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auctions and bidding. Predict the market getting a lot stronger as the year goes on and everyone is on board with the new rules as at 1/10.

- In Real Estate Lower Hutt new listings are in short supply but prices have improved dramatically. 4 Auctions today in our Lower Hutt office and the prices achieved were fantastic and significantly over the RV. One property listed 6 days ago sold unconditionally \$127,000 over RV!
- Real Estate. We are in a buoyant period.
- Property - Things are going well, the heat has come off the Auckland property market a little, however there is still strength there. Low interest rates and continued demand within the sector are good for us. We also have some crossover into the tourism sector and it has been a fantastic summer period with very high levels of occupancy
- Buoyant Real Estate Christchurch
- East Auckland Real Estate. Still an over supply of buyers and an under supply of listed stock. The market is levelling off but I would consider it buoyant.
- Real Estate Sales north shore. January slow as usual, first 2 weeks in February slow to start, absence of Chinese buyers at opens, last week big increase in Chinese buyers. Could of just been many Chinese at Chinese New Year. Increase in European buyers in last 2 weeks.
- I am in the real estate industry in Auckland. Currently we are finding ourselves on the brink of an exceedingly busy period with auction campaigns and sale by negotiation for a number of properties in the Remuera and Meadowbank area. For us it is very much business as usual with no let up in enquiry and we are confident that 2016 is going to be a year of growth for us.
- Property..Christchurch. Reasonably buoyant although expect a slow down in election year
- Real estate - residential in West Auckland. Slow start to the year but rapidly gaining momentum.
- Buoyant. A lack of listings is driving buyers to increase dollar amount of offers in competitive situations. Residential real estate, Hawkes Bay
- Real Estate sales on the North Shore (Devonport) have returned to a more normal market with not all properties selling immediately and buyers enjoying significantly more choice with the increase in listings!
- Residential Real Estate-Christchurch. Market remains buoyant, with steady sales and some properties being hotly contested in the auction rooms. A lot can depend on the individual property and location, with Fendalton, Merivale, Ilam, Burnside and Avonhead still popular. Still a number of frustrated buyers who can't find what they want...at prices they can afford. Prices showing little sign of dropping, but have perhaps levelled off a bit, especially in more outlying and less popular suburbs.
- Real Estate in Wellington. Super busy! Heaps of buyers. Mostly young couples or singles looking for their first home. Not Aucklanders in my patch.
- Real estate, Hastings - Hawkes Bay Massive shortage of stock. Excellent buyer-activity. Rising prices and many multi-offers. Its a sellers market up to \$600,000. Fairly neutral between \$600,000-\$700,000. Above \$700,000 its a buyers market. Strong buyer activity from locals and others moving to Hawkes Bay, for a much better quality of life!
- Residential Real Estate (Eastern Seaboard, Resort town) - Still very active market. Multiple buyers for limited supply of properties. All price brackets active. Good quality inquiry from well informed buyers. Demand strong for both permanent homes (mostly retirement) and holiday homes. Property Owners are requesting appraisals as getting curious about the possible new value level.
- Property investing in south Waikato, good market is moving up but good yields.
- Real-estate top end a bit quiet the rest very busy
- Property is booming in Wellington!
- Property - busy although issues with feasibility of projects due to high cost of land and construction costs.
- Real Estate. Havelock North. Booming, prices are on the move this year, old stock particularly priced at \$1m+ is selling. Shortage of property across all price brackets.

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- Central Auckland Real Estate Sales. Stock is hard to come by, but selling extremely well. Pre-auction offers are very common, and multiple bidders at auctions almost guaranteed.
- Booming - new build apartment sales
- Real Estate Auckland - Interesting times in Auckland, despite all the guessing no one really knows if things will slow down further or if the market will strengthen. We will know by the end of March which is traditionally our strongest month.
- Property – Tauranga. Good demand for residential property.
- Residential Real Estate - Auckland's North Shore. Moving towards a buyers market with vendors reluctant to recognise an easing in prices.

## Retail

- Garden retail. Tracking slightly up on last year, seasonal/weather driven variations excepted.
- Retail Sales remain steady and are up around 14% on the same period last year however profit margins are still tight as most Companies continue to absorb the fall in the currency. We sell Electronics for the Motor trade
- Pharmacy / FMCG, sales steady some margin squeeze with import costs and changing NZ dollar.
- Uniform supply. Good with turnover consistently up on the same month in the previous year. Higher demand from construction for hi vis and workwear.
- Bookshop. Sales steady without being spectacular. Book sales have been positive for some time now which is very encouraging. Card and magazine sales static to negative ; a reflection of traffic counts / sending rates. Stationery negative; a function of less paper-based consumption and more electronic operations? Overall positive sales growth c. 2-3%
- Furniture importer, finding increasing repeat sales from customers, and reliable cash flow.
- Retail - Jewellery. Margins continue to be squeezed, generally things are slow.
- Reasonably good since Waitangi Day when our market traditionally picks up for the year. Textiles and Wallcoverings - Wholesale
- Retail - industry is still steady, but has slowed with regards to lending over the last month since a very busy buying/selling property period leading up to Christmas. Market is fiercely competitive with regards to HL rates, and what banks are prepared to offer in cash to lure customers over.
- Retail - after a great run into Xmas the start of 2016 is a little flat, although not unexpected.
- Confectionery industry - artisanal area -I would describe the feeling in our business as buoyant.
- Outdoor sport - Retail wholesale: Seasonal change always ensures a slower period at the end of summer though it seems to have come earlier this year having started already when it would be expected at the end of March, Overall Sales and revenue have been up year on year and consumer confidence seems to be positive.
- Retail (department store) - Flat
- Confectionery; Cost of ingredients. e.g. chocolate: has increased by 16% in the last 3 months. Business sustainability comes into question
- Books & Stationery: Definitely picked up. Books are coming back with aplomb!!
- Everything is coming up roses in the retail garden centre business
- Retail gift and homewares- independent. Very tough trading with corporates constantly in sale mode and raising customer expectations that this is the norm even though we have products that are different from the norm. It is a crazy business to be in. There is just so much stuff out there now at unsustainably low prices that even quality stuff is devalued
- Retail is flat but prescriptions are increasing so overall holding own. Retail Pharmacy
- Retail - Supermarkets, pretty good
- In fashion retail in Nelson. Business has been good over the last two months with lots of visitors both domestic and international as a result of 3 new airlines flying in to Nelson plus one of the best Summer weather for years.

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- Footwear: well below average. Far from good, unsustainable

## Tourism

- Hotel industry remains very buoyant, regular strong visitor demand driving revenues up. Outlook remains positive
- The travel industry continues to thrive with increasing tourism into NZ, low fuel prices for airlines, and consumers having discretionary money to spend on travel. Just see the outstanding results from Qantas, Air NZ and Flight Centre (to name a few). NZ is a 'hot' destination to visit - it's safe, no terrorist threats, and still perceived as clean and green.
- Aviation (Helicopter). Tourism is firm offsetting relatively quiet commercial work. Benefitting from lower fuel prices.
- Accommodation - buoyant; best tourist season in past seven seasons; mostly US, British, and European guests -- not so many Aussies this year.
- Tourism - is booming. Expect highest or equal highest turnover for past 10 years.
- Tourism, bookings are good even from Australia
- I operate in the Auckland accommodation market (Tourism) and in property investment. Our occupancy for Jan/Feb has been roughly 90-95%. We are looking to increase the number of beds. The Tourism market appears to be extremely healthy and I suspect this will continue.  
Tourism Queenstown - very busy for Chinese New Year but some of our traditional western markets being displaced, not being able to find accommodation in Queenstown due to Chinese new Year and the influx of Chinese. Having said that, more of the Chinese this year are undertaking adventure activities than in the past. In short, if you have products suited to the Chinese market you are doing very well, if not then you are likely to be flat or maybe even down slightly.
- Fantastic Short term accommodation
- Tourism "bed and breakfast" in Golden Bay has been my personal best year, especially from overseas guests.
- Tourism transport. Flat out . Busiest summer ever. Winter still looking good as well.
- Tourism booming!
- Tourism is very busy. I have never seen so many tourists in NZ .
- Holiday Park for Campers and Campervans. Business is buoyant with a noticeable increase in tourists , both from Europe and China / South Korea . Overall up about 10% in turnover over last February

## Transport and Storage

- Cold Store Warehousing and distribution. Currently good sound steady business. Forecasting similar for the year ahead.
- Airports - Extremely strong
- Rotorua accommodation. In one word "booming". Great season, long may it continue
- Good and looking for staff ... transport servicing

## Vehicles

- Vehicles: Sudden drop of Yen at New Years has not been good, esp. imports we bring in.
- Motorcycles sales and service. Service side is steady. Sales is very up and down
- Automotive (New vehicles) - sales stronger than expected but weakness starting to appear. Highly competitive.
- Tyre wholesale. Very good
- Steady Engine Reconditioning
- Commercial Vehicle Repairs. Workshops are busy and retail parts sales are steady



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## Wine

- Vineyards in very short supply and values increasing.
- Supplier to wine industry - firm start to the year and good vintage forecast

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The BNZ Confidence Survey is run quarterly. Email recipients are asked to click on a URL which takes them to a survey site. Respondents are asked for comments on their own industry. Results are collated and released within a week of the survey being sent out. .

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